

AMENDED IN ASSEMBLY APRIL 20, 2015

AMENDED IN ASSEMBLY APRIL 7, 2015

AMENDED IN ASSEMBLY MARCH 17, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 422

Introduced by Assembly Member McCarty

February 19, 2015

An act to add Section 102584 to the Public Utilities Code, relating to transit.

LEGISLATIVE COUNSEL’S DIGEST

AB 422, as amended, McCarty. Sacramento Regional Transit District: line of credit.

Existing law provides for the creation of the Sacramento Regional Transit District, with specified powers and duties relative to the provision of public transit services. Existing law authorizes the district to engage in temporary borrowing, as specified.

This bill would authorize the district to seek and receive a short-term revolving line of credit for operating purposes in anticipation of receipt of operating grants, with the extension of credit to the district evidenced by a note, in addition to and as an alternative to temporary borrowing, as specified. The bill would authorize the district to pledge anticipated grants and other available funds as security for repayment of the note and would prescribe other terms.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 102584 is added to the Public Utilities
2 Code, to read:

3 102584. In addition to, and as an alternative to, the borrowing
4 authority in Section 102582, the district may seek and obtain a
5 short-term revolving line of credit for operating purposes in
6 anticipation of receipt of operating grants, with the extension of
7 credit to the district evidenced by a note, *pursuant to a resolution*
8 *adopted by the board of directors of the district*. The district may
9 pledge the anticipated grants and any other funds available to the
10 district, including, but not limited to, fare revenues collected by
11 the district in connection with the operation of its transit system
12 and any other revenues, income, or receipts, as security for
13 repayment of the note, the interest on the note, and the related
14 obligations evidenced by the note. The note shall have a maturity
15 date of not more than 60 months from the date of issuance. The
16 district may pledge anticipated operating grants and other available
17 funds over a multiyear period. Notwithstanding the 60-month
18 maturity period for the line of credit, the maximum indebtedness
19 under the note shall not exceed the maximum amount in federal
20 operating grant revenues that the district anticipates receiving in
21 a single fiscal year, and shall not exceed 85 percent of the amount
22 of the anticipated grants and other funds that the district anticipates
23 receiving in a single fiscal year that are pledged to repay the note,
24 the interest on the note, and the related obligations evidenced by
25 the note.